

# Directors' Report

## Remuneration Report

We are pleased to share our remuneration report which focuses on our remuneration strategy and outcomes, in addition to our people and culture highlights for the financial year ending 30 June 2018.



This year, Dexus delivered strong results across all key financial metrics and achieved sustained performance improvements across non-financial areas including the customer net promoter score, safety, employee engagement and environmental sustainability.

At Dexus, we also focus on building a great workplace and corporate culture to support our business strategy and ensure that decisions contribute to sustainable long-term returns. To drive genuine diversity of thought and experience across the group, we launched a new gender diversity target of 40% female representation, 40% male representation and 20% either male or female representation across senior manager roles and above, to be reached by 30 June 2021.

To achieve alignment of interests with our security holders and strengthen engagement within Dexus, our remuneration structure includes deferral of an equity component of the short-term incentive (STI) over 1 and 2 years and long-term incentives (LTI) vesting over 3 and 4 years. And from FY19, we have established a new guideline that will result in Executive Key Management Personnel (KMP) being required to maintain a minimum DXS security holding equivalent to 150% of fixed remuneration for the CEO and 75% of fixed remuneration for other executive KMP.

In FY18, remuneration benchmarking across A-REIT competitors and other companies highlighted that fixed remuneration and the maximum potential opportunity for LTI at Dexus was below our market comparators of similar size and complexity. The Board has agreed to increase the maximum available LTI, delivered as Performance Rights, to ensure that the total remuneration opportunity remains competitive.

In FY18, STI outcomes across the balanced scorecard for KMP were above target, resulting in STIs being awarded to KMP at an average 86% of their maximum potential. All of the four performance hurdles for the LTI plans that vested during FY18 were achieved in full as determined by the Board.

There are no changes proposed to Non-Executive Director remuneration for FY19.

As a Board we continue to set incentive targets which reflect our focus on delivering superior risk adjusted returns for investors and sustained performance over the long term. We also monitor the Dexus culture to ensure that behaviours reflect our values and that decisions are made in the best interests of all stakeholders.

### **Penny Bingham-Hall** Chair – People and Remuneration Committee

The report has been prepared and audited in accordance with section 308(3C) of the *Corporations Act 2001*.



**This Remuneration Report forms part of the Directors' Report and outlines the remuneration framework and outcomes for Key Management Personnel (KMP) for FY18.**

The main objective of the People and Remuneration Committee (PRC) is to assist the Board in fulfilling its responsibilities by developing the remuneration strategy, framework and policies for Non-Executive Directors, Executive KMP and the Group Management Committee (GMC), for Board approval.

#### **During FY18 the Committee**

- Reviewed and validated the group's risk culture framework and metrics
- Monitored the staff engagement survey approach and results
- Reviewed and approved performance objectives and Key Performance Indicators for the CEO, KMP and other executives
- Reviewed company performance against business objectives and strategic goals
- Revised the diversity and inclusion strategy introducing a new gender diversity target of 40:40:20 by 2021
- Reviewed executive and key talent assessments for succession planning and talent management
- Introduced a new GMC minimum security holding guideline
- Undertook remuneration benchmarking for the CEO, KMP and other executives

#### **During FY19 the Committee will focus on**

- Monitoring talent and leadership development programs
- Monitoring culture metrics and outcomes
- Refreshing the group's diversity and inclusion strategy
- Monitoring and assessing group, CEO, KMP and other executives' performance
- Reviewing and approving the group balanced scorecard
- Continuing to monitor the Company's executive remuneration to support the business strategy

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## 1. Introduction

### 1.1 Key Management Personnel

In this report, Key Management Personnel (KMP) are those individuals having the authority and responsibility for planning, directing and controlling the activities of the group, either directly or indirectly.

They comprise:

- Non-Executive Directors
- Executive Directors
- Other Executives considered KMP



**Executive Directors and other Executives considered KMP are referred to collectively as "Executive KMP" in this report. The below outlines KMP of the group during FY17 and FY18. There have been no changes to KMP since the end of the reporting period.**

	KMP FY17	KMP FY18
<b>Independent Non-Executive Directors</b>		
<b>W Richard Sheppard</b> Non-Executive Chair	✓	✓
<b>Elizabeth A Alexander AM</b> Non-Executive Director	✓	To 24 October 2017
<b>Penny Bingham-Hall</b> Non-Executive Director	✓	✓
<b>John C Conde AO</b> Non-Executive Director	✓	✓
<b>Tonianne Dwyer</b> Non-Executive Director	✓	✓
<b>Mark H Ford</b> Non-Executive Director	From 1 November 2016	✓
<b>Nicola Roxon</b> Non-Executive Director	X	From 1 September 2017
<b>Peter B St George</b> Non-Executive Director	✓	✓
<b>Executive Directors</b>		
<b>Darren J Steinberg</b> Executive Director and Chief Executive Officer	✓	✓
<b>Craig D Mitchell</b> Executive Director and Chief Operating Officer	To 15 July 2016	X
<b>Other Executives</b>		
<b>Alison C Harrop</b> Chief Financial Officer	✓	✓
<b>Ross G Du Vernet</b> Chief Investment Officer	✓	✓
<b>Kevin L George</b> Executive General Manager, Office & Industrial	✓	✓
<b>Deborah C Cookley</b> Executive General Manager, Funds Management	✓	✓

## 2. Remuneration strategy and governance

### 2.1 Our remuneration strategy

#### Our Vision

To be globally recognised as Australia's leading real estate company

#### Our Strategy

To deliver superior risk-adjusted returns for investors from high quality real estate in Australia's major cities

#### Our Remuneration Strategy

To attract, retain and motivate the best people to drive a great culture that delivers on our business strategy and contributes to sustainable long-term returns

#### Remuneration principles



##### Culture

We align reward to our strong risk, high performance, diverse and inclusive culture



##### Alignment to performance

We reward for performance aligned with our business strategy



##### Market competitive

We position reward opportunity to attract and retain the best talent



##### Sustainable

We balance our financial and non-financial priorities



##### Simple and Transparent

We keep it simple and set clear expectations

#### Executive Remuneration Components

##### Fixed Remuneration

Purpose: Attract and retain executives with the capability and experience to deliver our strategy.

Link to performance: Motivation to drive a great culture and deliver on the business strategy.

Performance measures: Significant position accountabilities that support the execution of the business strategy.

Alignment: Attract and retain the best people.

Delivery: Competitive market based fixed remuneration. (Base Salary and Statutory Superannuation).

##### Short-Term Incentive

Purpose: Reward for performance against annual objectives and key performance indicators (KPIs).

Link to performance: Strategic annual objectives embedded in each executive's personalised scorecard of KPIs.

Performance measures: Group financial, customer, culture, environment, risk, safety and other strategic objectives.

Alignment: Reward year-on-year performance achieved in a balanced and sustainable manner.

Delivery: Annual cash payment (75%)  
Deferred Rights (25%)<sup>2</sup>  
12.5% 1 year  
12.5% 2 years

##### Long-Term Incentive

Purpose: Align performance focus with the long-term business strategy to drive sustained earnings and security holder returns.

Link to performance: Performance hurdles are set by the Board over three and four year periods to deliver sustained security holder value.

Performance measures: 50% AFFO growth<sup>1</sup> 50% ROCE<sup>1</sup>

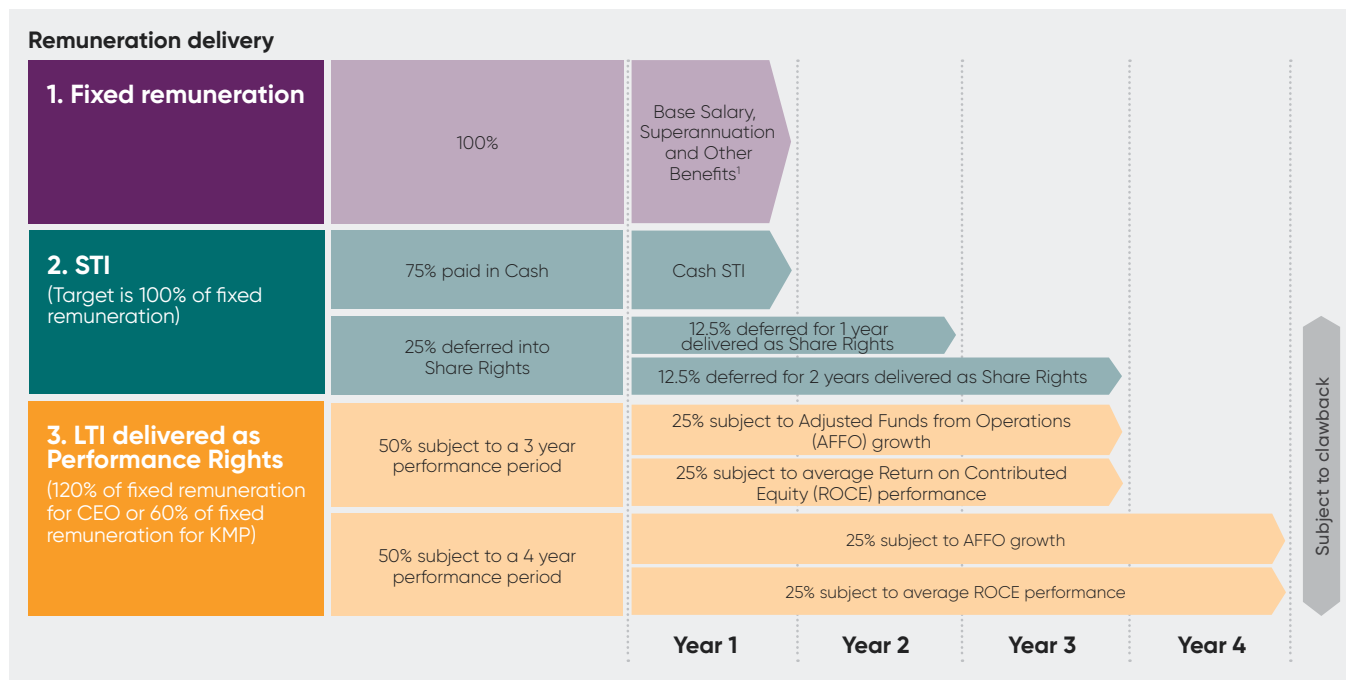
Alignment: Encourage sustainable, long-term value creation.

Delivery: Performance Rights<sup>3</sup> with allocation calculated at Face Value  
50% 3 years  
50% 4 years

1. LTI grants prior to the 2016 Grant had the following four performance conditions: Funds from Operations (FFO) growth, average Return on Equity (ROE) relative ROE, relative Total Security holder Return (TSR). Adjusted Funds from Operations (AFFO) was introduced in 2015 and Return on Contributed Equity (ROCE) was introduced in 2016.  
2. The deferred component is subject to clawback and requires continued employment during the vesting period.  
3. There is no re-testing and the LTI is subject to forfeiture if: (1) performance conditions are not met, (2) the Executive terminates within 12 months of the grant date or (3) the Executive voluntarily resigns or is terminated for cause prior to vesting.

## 2.2 Remuneration delivery and mix

The Executive KMP remuneration mix is structured so that a substantial portion of remuneration is delivered as Dexu securities through either deferred STI or LTI. The total remuneration opportunity is positioned at the top quartile for outperformance. The following diagram (which is not to scale) sets out the remuneration structure and delivery timing for Executive KMP.

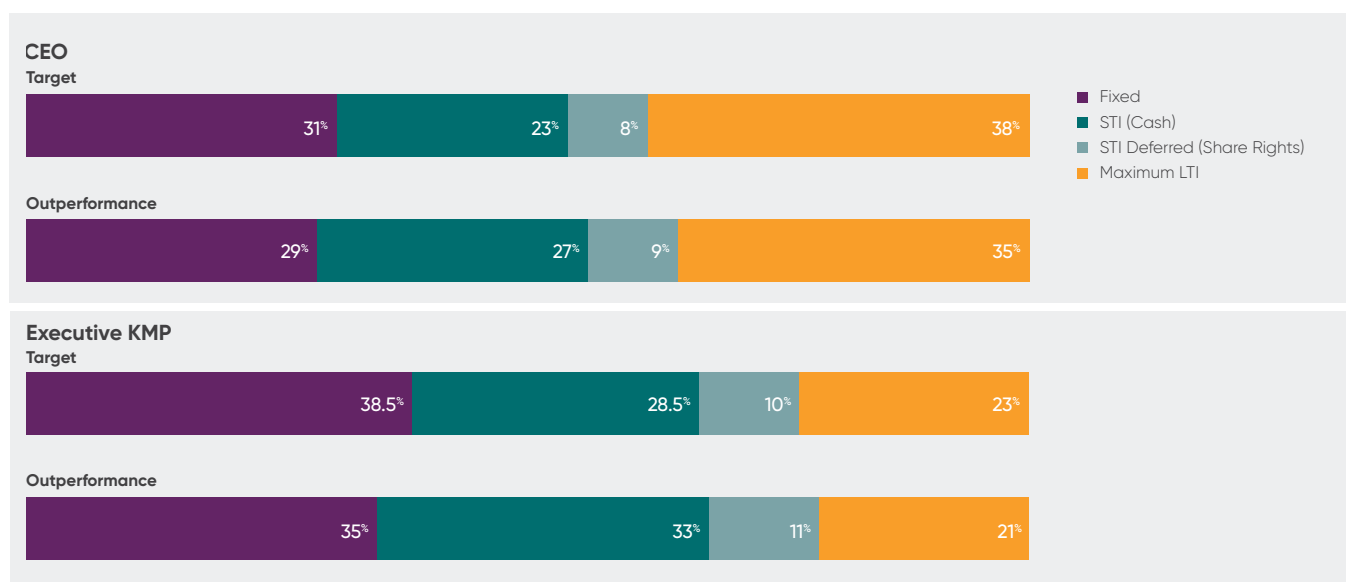


1. Other Benefits comprise wellbeing and insurance arrangements provided to all employees. These benefits do not flow into the STI and LTI calculations.

### Remuneration mix

The remuneration components for each KMP are expressed as a percentage of total remuneration, with the STI value varied to reflect target performance (100% of target amount) and outperformance (125% of target amount).

The following diagram sets out the remuneration structure for Executive KMP.



## 2.3 Changes for FY19

### Executive remuneration



#### Fixed remuneration

In FY18, the PRC undertook executive remuneration benchmarking across A-REIT competitors and similar size companies. Total remuneration was found to be below our market comparators of similar size and complexity. To ensure the total remuneration opportunity remains competitive, the Board approved an average increase of 6.5% to Executive KMP (excluding the CEO) fixed remuneration for FY19. In FY19 there is no fixed remuneration increase for the CEO.



#### Long-term incentive (LTI)

The remuneration benchmarking across A-REIT competitors and similar sized companies highlighted that the maximum LTI opportunity at Dexus was below the market. The Board has agreed to increase the maximum LTI opportunity from 120% to 150% of fixed remuneration for the CEO<sup>1</sup> and from 60% to 75% of fixed remuneration for other KMP. The Board believes the change will improve the market competitiveness of our remuneration offering.

### GMC minimum security holding guidelines



#### Introduction of a minimum security holding guideline

The introduction of this guideline requires the Chief Executive Officer (CEO), and members of Dexus's Group Management Committee (GMC), to build and maintain a holding of Dexus securities within 5 years. This guideline was introduced on 1 July 2018.

Minimum value of security holding as a percentage of fixed remuneration:

**CEO = 150%**

**KMP = 75%**

**Non-KMP = 50%**

## 2.4 Securities Trading Policy

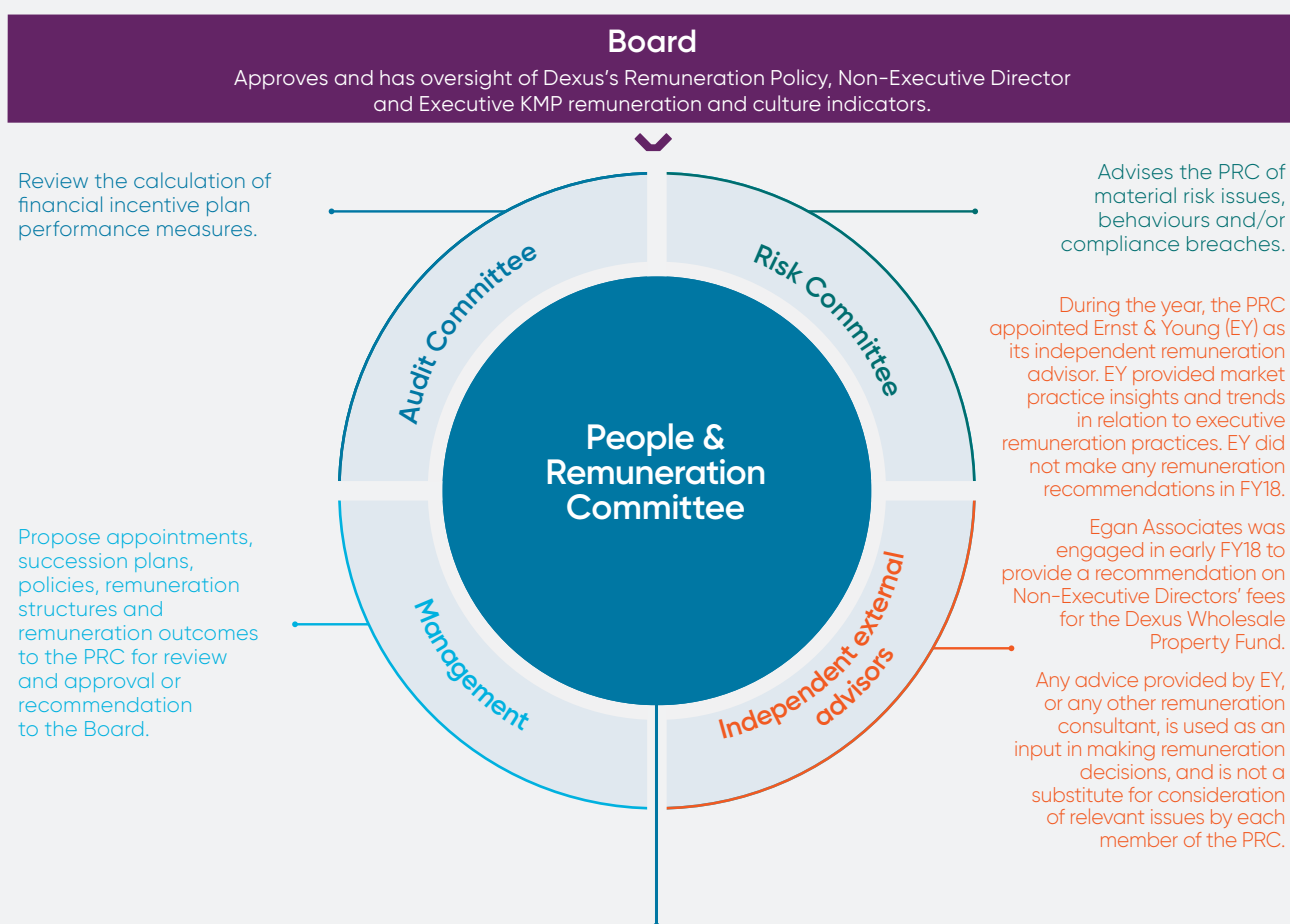
The Securities Trading Policy provides guidance to Directors, Employees (including Key Management Personnel), Contractors and Associates for ongoing compliance with legal obligations relating to trading or investing in financial products managed by Dexus.

The Policy prohibits employees from trading in financial products while they are in possession of Inside Information (non-public price sensitive information) and hedging their exposure to unvested DXS securities. Trading in DXS securities or related products is only permitted with the permission of the CEO.

The group also has Conflict of Interest and Insider Trading policies in place which extend to family members and associates of employees.

1. Subject to approval at the 2018 Annual General Meeting.

## 2.5 Remuneration governance



### People & Remuneration Committee (PRC)

The PRC is responsible for developing the remuneration strategy, framework and policies for Non-Executive Directors, Executive KMP and the Group Management Committee (GMC) for Board approval.

The responsibilities of the PRC are outlined in the PRC's Terms of Reference available at [www.dexus.com/remuneration-committee](http://www.dexus.com/remuneration-committee), which is reviewed and approved annually by the Board. The primary accountabilities of the PRC are:

- Reviewing and recommending to the Board for approval Dexus's Remuneration Policy, which applies to Executive KMP, GMC members and all other Dexus employees
- Reviewing and approving the annual performance objectives of the CEO and GMC members
- Recommending to the Board for approval CEO and GMC members' remuneration and incentive payments
- Reviewing and approving aggregate fixed remuneration changes and annual incentive payments for all Dexus employees
- Reviewing and recommending to the Board for approval the Code of Conduct and Diversity Principles
- Reviewing and approving processes for talent assessment, development and succession planning
- Reviewing processes and metrics for measuring culture

### Members

The PRC comprises of three independent Non-Executive Directors: Penny Bingham-Hall (Chair), Nicola Roxon and Richard Sheppard. PRC members have experience in remuneration, leadership, human resources, risk management and compliance which enables effective oversight and governance of Dexus's remuneration framework. The PRC Chair, Penny Bingham-Hall, and Nicola Roxon are also members of the Board Risk Committee.

### Meetings

The PRC is required to meet at least three times per year. In FY18, the PRC met five times to discuss and review remuneration and people-related matters.

Accurate and complete Committee papers are provided to all PRC members prior to meetings to enable timely, considered and effective decision making. The PRC may request additional information from management or external advisors where required.

The PRC uses a range of inputs when assessing Executive KMP performance and determining remuneration outcomes.

- Financial performance is measured using audited financial measures
- Management provide detailed examples of how non-financial outcomes have been achieved
- Demonstration of the Dexus values and behaviours is considered
- External remuneration benchmarking is provided by independent external advisors

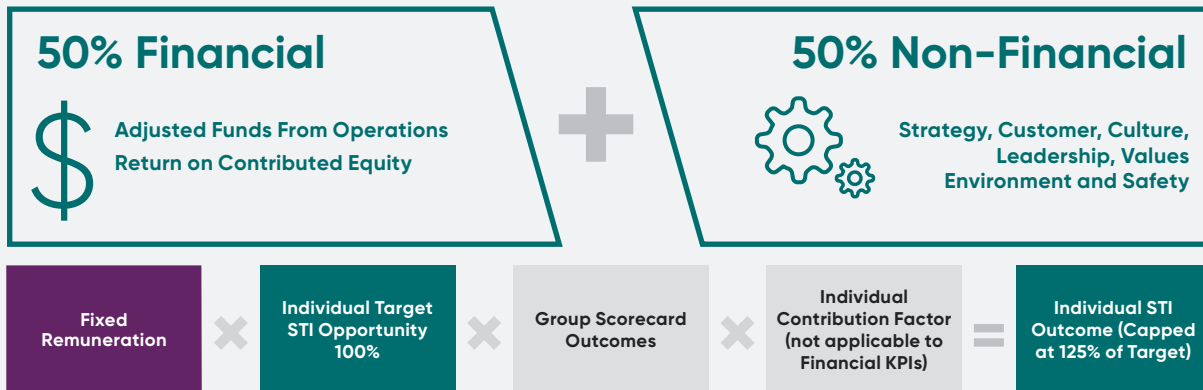
Under certain circumstances the PRC and Board may adjust proposed remuneration outcomes or clawback Rights issued under the Dexus LTI or STI Plans.

### 3. Remuneration structure

#### 3.1 How performance translates into STI outcomes

**The STI plan is aligned to security holder interests by:**

- Encouraging executives to achieve year-on-year performance in a balanced and sustainable manner (i.e. through a mix of financial and non-financial performance measures)
- Mandatory deferral of 25% of each STI award into Rights acting as a retention mechanism



Each Executive KMP is awarded an individual STI outcome between zero and 125% of their target. Scores are based on group performance and individual contribution.

#### STI plan structure

**How much of the STI award is deferred?**

25% of any award under the STI plan is deferred in the form of Rights to DXS securities.

The rights vest in two equal tranches, 1 and 2 years after being granted. Rights deferred under the STI plan are subject to clawback and continued employment during the vesting period.

The number of Rights awarded is based on 25% of the awarded STI value divided by the volume weighted average price (VWAP) of DXS securities 10 trading days either side of the first trading day of the new financial year.

The remaining 75% of any award is paid in cash in August following the announcement of the group's annual results.

DXS securities are purchased on market to satisfy the performance rights for the STI plan.

**Are distributions paid on unvested Rights awarded under the STI plan?**

For the portion of STI deferred as Rights, participants are entitled to the benefit of distributions paid on the underlying DXS securities prior to vesting, through the issue of additional Rights at the time of vesting.

**When are STI awards forfeited?**

Forfeiture will occur should the participant's employment terminate within 6 months of the grant date for any reason, or if the participant voluntarily resigns or is terminated for cause prior to the vesting date.

Notwithstanding the above, if a participant's employment is terminated for reasons such as retirement, redundancy, reorganisation, change in control or other unforeseen circumstances, the People & Remuneration Committee may recommend to the Board that the executive should remain in the plan as a 'good leaver'.

## 3.2 How performance translates into LTI outcomes

### The LTI plan is aligned to security holders' interests in the following ways:

- Encourages executives to make sustainable business decisions within the Board-approved strategy of the group
- Aligns the financial interests of executives participating in the LTI Plan with security holders through exposure to DXS securities

The Board sets the performance conditions for the LTI plan on an annual basis. The two performance conditions under the LTI plan are Adjusted Funds From Operations (AFFO) per security growth (implied)<sup>1</sup> and average Return on Contributed Equity (ROCE). The ROCE calculation excludes the impact of asset revaluations. These performance conditions were selected to align the plan outcomes with commercial long-term performance that is within the executive's ability to influence.

AFFO per security growth and average ROCE performance hurdles are set by the Board and are in line with Dexus's target range through the cycle. Both the AFFO per security growth and average ROCE performance targets will be disclosed retrospectively at the end of the performance period. The group does not publish details of the hurdles prior to the testing of the first tranche at the end of the first performance period (year 3), as this would result in the disclosure of commercially sensitive information in connection with the group's forecasts.

Adjusted Funds From Operations (AFFO)	Return on Contributed Equity (ROCE)
<p><b>50% of the award is subject to performance against the group's AFFO growth per security hurdle</b></p> <p>AFFO is a key measure of growth and is calculated in line with the Property Council of Australia (PCA) definition. AFFO is Funds From Operations (FFO) as per the PCA's definition adjusted for maintenance capex, incentives (including rent free incentives) given to tenants during the period and other one-off items.</p> <p>AFFO growth is measured as the implied<sup>1</sup> compound annual growth rate (CAGR) of the aggregate AFFO earnings per security over both the three and four year vesting periods.</p>	<p><b>50% of the award is subject to performance against the group's average ROCE performance hurdle</b></p> <p>ROCE represents the annualised average rate of return to security holders, calculated as a percentage, comprising AFFO together with the net tangible asset impact from completed developments, divided by the average contributed equity during the period.</p> <p>ROCE is measured as the per annum average at the respective conclusion of the three and four year vesting periods.</p>

**Vesting under both the AFFO growth and average ROCE measures are on a sliding scale per security against performance conditions set by the Board.**

Performance	Vesting Outcome
Below Target performance	Nil vesting
Target performance	50% vesting
Between Target and Outperformance	Straight line vesting
Outperformance	100% vesting

### LTI plan structure

#### How is the number of Performance Rights determined?

The number of Performance Rights granted is the participant's LTI grant value (based on a percentage of fixed remuneration) divided by the VWAP of DXS securities ten trading days either side of the first trading day of the new financial year. The methodology computes grants based on 'face value' rather than 'fair value'.

The maximum LTI opportunity is set at 120% of fixed remuneration for the CEO, 60% for other Executive KMP and 36% for other participants. In FY19 the maximum LTI opportunity will increase to 150% of fixed remuneration for the CEO and 75% for Executive KMP.

#### Do participants receive distributions on unvested LTI awards?

Participants are not entitled to distributions paid on underlying DXS securities during the performance period prior to Performance Rights being tested for vesting.

#### When are LTI awards forfeited?

If the performance conditions are not met, Performance Rights relating to that tranche will be forfeited. There is no retesting of forfeited Rights. Performance rights are subject to clawback at the discretion of the Board.

Additionally, forfeiture will occur should the participant's employment terminate within 12 months of the grant date for any reason, or if the participant voluntarily resigns or is terminated for cause prior to the vesting date.

Notwithstanding the above, if a participant's employment is terminated for reasons such as retirement, redundancy, reorganisation, change in control or other unforeseen circumstances, the People & Remuneration Committee may recommend for approval by the Board that the participant remain in the plan as a 'good leaver'.

#### How is the LTI plan administered?

The administration of the LTI plan is supported by the LTI plan rules.

DXS securities are purchased on market (for all participants including the CEO) to satisfy the performance rights for the LTI plan.

The Board retains the right to amend, suspend or cancel the LTI plan at any time.

1. The implied compound annual growth rate refers to the nominal growth per annum that is required to achieve the target AFFO earnings per security over the vesting period.



## 4. FY18 Dexus performance highlights

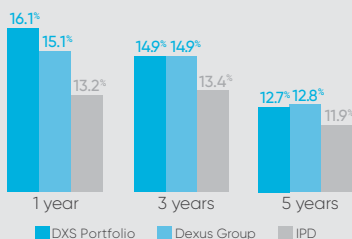
Five year performance		FY18	FY17	FY16	FY15	FY14
Funds From Operations (FFO) (\$m)		<b>653.3</b>	617.7	610.8	544.5	446.6
Adjusted Funds From Operations (AFFO) (\$m)		<b>485.5</b>	439.7	413.9	369.8	310.7
Net Profit After Tax (\$m)		<b>1,728.9</b>	1,264.2	1,259.8	618.7	406.6
AFFO per security (cents)		<b>47.7</b>	45.4	42.7	40.4	37.9 <sup>6</sup>
Distribution per security (cents)		<b>47.8</b>	45.47	43.51	41.04	37.56 <sup>6</sup>
Return on Equity (ROE) (%)		<b>19.8</b>	18.2	19.3	11.5	6.7
Return on Contributed Equity (ROCE) (%)		<b>7.6</b>	7.6	n/a	n/a	n/a
Closing Dexus security price (\$)		<b>9.71</b>	9.48	9.02	7.30	6.66 <sup>6</sup>
NTA per security (\$)		<b>9.64</b>	8.45	7.53	6.68	6.36 <sup>6</sup>
Gearing (look-through) (%)		<b>24.1</b>	26.7 <sup>1</sup>	30.7	28.5	33.7
Customer satisfaction score (/10)		<b>8.3</b>	8.0	8.0	7.9	7.7
Females in senior management roles (%)		<b>35</b>	33	29	26	26
Listed office portfolio average NABERS Energy rating (stars)		<b>4.9</b>	4.8	4.8	4.7	4.6



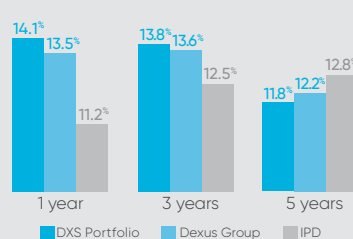
**87%**

Employee engagement score<sup>2</sup>

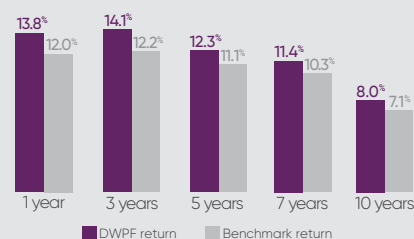
### Dexus Office portfolio performance vs IPD<sup>3</sup>



### Dexus Industrial portfolio performance vs IPD<sup>3</sup>



### Dexus Wholesale Property Fund performance<sup>4</sup>

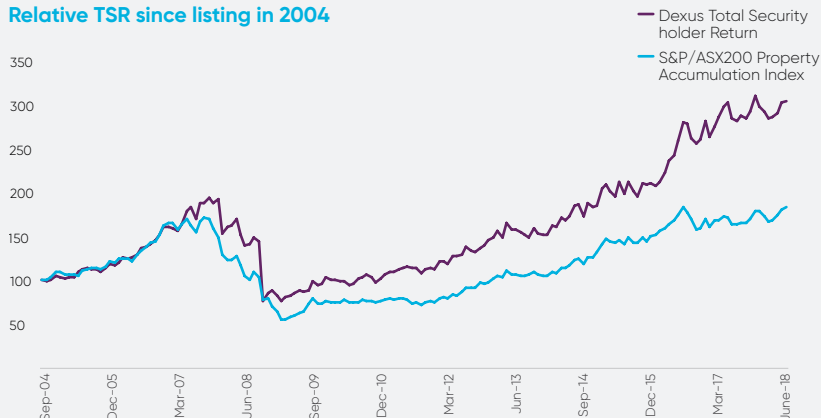


### Total Security holder return (TSR)

	1 Year	3 Years*	5 Years*	10 Years*
Dexus	<b>7.5%</b> p.a.	<b>15.5%</b> p.a.	<b>14.4%</b> p.a.	<b>8.4%</b> p.a.
S&P/ASX 200 Property Accumulation Index	<b>13.0%</b> p.a.	<b>9.7%</b> p.a.	<b>12.0%</b> p.a.	<b>6.0%</b> p.a.

Source: UBS Australia as at June 2018. \*Annual compound returns.

### Relative TSR since listing in 2004



Source: UBS Australia for year to 30 June 2018.

### Distribution and AFFO per security growth

**5.1%**

### Return on Contributed Equity

**7.6%**

### Customer Net Promoter Score<sup>5</sup>

**+32**

### Progressed minimum 5 star NABERS Energy rating across

**89%**

of the office portfolio towards target of 1,000,000 sqm by 2020

1. FY17 pro forma gearing is adjusted for post 30 June 2017 acquisitions.
2. Employee engagement score maintained top quartile performance.
3. As at 31 March 2018.
4. As at 30 June 2018.
5. The Net Promoter Score (NPS) is calculated as the difference between the percentage of Promoters and Detractors. The NPS is not expressed as a percentage but as an absolute number between -100 and +100.
6. In November 2014, Dexus completed a one-for-six security consolidation and this number has been adjusted to reflect this.

## 5. FY18 CEO performance

The below summarises the CEO's performance relative to the FY18 CEO performance scorecard.

Key: Culture Alignment to performance Market competitive Sustainable Simple and transparent

Strategic objectives	Remuneration principle	CEO weighting	Result	Performance detail
<h3>Financial performance</h3> <h4>Group Financial Performance</h4> <ul style="list-style-type: none"> <li>- Adjusted Funds from Operations (AFFO) growth</li> <li>- Return on Contributed Equity (ROCE)</li> <li>- Return on Equity (ROE)</li> </ul>				
		50%	<p>Outperformance</p> <p>Below Target Above</p>	<ul style="list-style-type: none"> <li>- AFFO per security growth = 5.1%</li> <li>- ROCE = 7.6%</li> <li>- ROE = 19.8%</li> </ul>
<h3>Non-Financial performance</h3> <h4>Leadership in Office</h4> <ul style="list-style-type: none"> <li>- Outperform 3 and 5-year Property Fund Index (IPD) returns</li> <li>- Improve office customer Net Promoter Score (NPS)</li> <li>- Develop workspace capabilities</li> <li>- Introduce new customers to the platform</li> </ul>				
	 	15%	<p>Target</p> <p>Below Target Above</p>	<ul style="list-style-type: none"> <li>- Dexus and group office portfolios outperformed IPD over 1, 3 and 5-year time periods</li> <li>- Office customer NPS increased from +31 to +33</li> <li>- Developed workspace capability plan</li> <li>- Launched 5 new customer initiatives</li> <li>- Added more than 220 new customers to the platform</li> </ul>
<h4>Funds Management Partner of Choice</h4> <ul style="list-style-type: none"> <li>- Outperform 3 and 5-year benchmarks</li> <li>- Launch and achieve targets for Healthcare Fund</li> </ul>				
	 	15%	<p>Target</p> <p>Below Target Above</p>	<ul style="list-style-type: none"> <li>- All funds performed strongly with DWPF achieving top quartile performance</li> <li>- Completed first round equity raising for Healthcare Wholesale Property Fund</li> <li>- Planning underway that will see the launch of new unlisted funds or partnerships over the next 12-18 months</li> </ul>
<h4>Customer, Culture and Environment</h4> <ul style="list-style-type: none"> <li>- Increase brand recognition</li> <li>- Improve culture and engagement indicators</li> <li>- Improve overall customer NPS</li> <li>- Maintain strong investor relationships</li> <li>- Increase Corporate Responsibility &amp; Sustainability awareness and rankings in industry surveys</li> </ul>				
	  	7.5%	<p>Outperformance</p> <p>Below Target Above</p>	<ul style="list-style-type: none"> <li>- Increased brand perception and recognition</li> <li>- Improved employee engagement score to 87% from 84%</li> <li>- Increased overall customer NPS to +32 from +31</li> <li>- Maintained strong investor perception ratings</li> <li>- Achieved 1st ranking in global listed office category and 3rd overall in 2017 GRESB survey</li> <li>- Launched new goal to reach Net Zero emissions by 2030</li> </ul>
<h4>Safety</h4> <ul style="list-style-type: none"> <li>- Provide a safe work environment with zero fatalities</li> <li>- Safety audit score above 85%</li> </ul>				
	 	5%	<p>Target</p> <p>Below Target Above</p>	<ul style="list-style-type: none"> <li>- Improved safety culture across the group</li> <li>- Zero fatalities</li> <li>- Achieved an average safety audit score of 97%</li> </ul>
<h4>Values and behaviours</h4> <ul style="list-style-type: none"> <li>- Role model values, leadership behaviours, collaboration and inclusiveness</li> </ul>				
	 	7.5%	<p>Outperformance</p> <p>Below Target Above</p>	<ul style="list-style-type: none"> <li>- Led internal initiatives focused on leadership development and culture</li> <li>- Recognition through citations including WGEA Employer of Choice for Gender Equality 2018</li> <li>- Achieved gender diversity targets and established new 40:40:20 target</li> <li>- Achieved gender pay equity in like-for-like roles</li> </ul>

## 6. Remuneration outcomes

### 6.1 STI awards for FY18 performance

The STI awards made to each Executive KMP with respect to their performance during the year ended 30 June 2018 are provided below. The 75% cash component will be paid in August 2018 following the approval of statutory accounts and announcement of the group's annual results. This payment will form a part of the FY19 cash earnings for Executive KMP.

Executive KMP	STI target % of fixed remuneration	STI max % of fixed remuneration	STI award (\$)	% of target STI awarded	% of maximum STI awarded	% of maximum STI forfeited	% of STI award deferred
Darren J Steinberg	100%	125%	1,840,000	115%	92%	8%	25%
Ross G Du Vernet	100%	125%	770,000	110%	88%	12%	25%
Kevin L George	100%	125%	735,000	105%	84%	16%	25%
Alison C Harrop	100%	125%	708,750	105%	84%	16%	25%
Deborah C Coakley	100%	125%	603,750	105%	84%	16%	25%

### 6.2 Deferred STI and LTI grants

The number of Rights granted to Executive KMP is determined by dividing the Deferred STI value and LTI grant value by the VWAP of DXS securities ten trading days either side of 1 July 2018, which was \$9.87759. The minimum value of the grant is nil if the performance conditions are not met. The maximum value is based on the estimated fair value calculated at the time of grant and amortised in accordance with the accounting standard requirements.

The below details the number of Rights granted to Executive KMP on 1 July 2018 under the Deferred STI and LTI plans.

DXS securities relating to Deferred STI and LTI grants are purchased on-market in accordance with ASX Listing Rule 10.15B and are held by the Dexus Performance Rights Plan Trust until required.

Executive KMP	Plan name	Maximum Award as a % of fixed remuneration	Performance measure	Number of Rights granted	Fair value per performance right \$ <sup>1</sup>	Maximum total value of grant \$ <sup>2</sup>	1 <sup>st</sup> Vesting date 50%	2 <sup>nd</sup> Vesting date 50%
Darren J Steinberg	Deferred STI	25%	Nil	46,570	9.88	459,999	1 July 2019	1 July 2020
	LTI	150%	AFFO	121,487	8.18 <sup>1</sup>	993,764	1 July 2021	1 July 2022
			ROCE	121,487		993,764		
Ross G Du Vernet	Deferred STI	25%	Nil	19,488	9.88	192,494	1 July 2019	1 July 2020
	LTI	75%	AFFO	28,473	8.18 <sup>1</sup>	232,909	1 July 2021	1 July 2022
			ROCE	28,473		232,909		
Kevin L George	Deferred STI	25%	Nil	18,602	9.88	183,743	1 July 2019	1 July 2020
	LTI	75%	AFFO	28,473	8.18 <sup>1</sup>	232,909	1 July 2021	1 July 2022
			ROCE	28,473		232,909		
Alison C Harrop	Deferred STI	25%	Nil	17,938	9.88	177,184	1 July 2019	1 July 2020
	LTI	75%	AFFO	27,524	8.18 <sup>1</sup>	225,146	1 July 2021	1 July 2022
			ROCE	27,524		225,146		
Deborah C Coakley	Deferred STI	25%	Nil	15,280	9.88	150,930	1 July 2019	1 July 2020
	LTI	75%	AFFO	22,778	8.18 <sup>1</sup>	186,324	1 July 2021	1 July 2022
			ROCE	22,778		186,324		

1. Fair value for the Deferred STI reflects the number of rights multiplied by the VWAP of DXS securities 10 days either side of 1 July 2018 (\$9.87759). Fair value for the LTI reflects the average valuation (\$8.18) of both tranches as provided by EY under the Black-Scholes Analytic model. Tranche 1 was valued at \$8.38 and tranche 2 was valued at \$7.98.

2. The maximum total value of the grant reflects the numbers of rights granted multiplied by the fair value per performance right.

### 6.3 Performance of LTI awards which vested during FY18

AFFO and ROCE were established as the performance hurdles in 2016, simplifying the plan and providing greater LTI plan alignment with the business strategy and the metrics that drive long-term company performance. Prior grants had four performance hurdles including two relative measures (TSR and ROE). The comparator group included specified comparators for 2013 and prior years but transitioned to the following indexes from 2014:

- Relative TSR – S&P/ASX200 A-REIT Index
- Relative ROE – Mercer IPD Core Wholesale Property Fund Index

The second tranche of the 2013 LTI plan and the first tranche of the 2014 LTI plan vested for participating Executive KMP on 1 July 2017. The vesting outcome of 100% for both tranches was determined by the Board, referencing the previously approved performance hurdles.

#### Results of each performance condition for the second tranche of the 2013 LTI Plan:

Performance condition	Weighting	Hurdle range	Group result	Vesting outcome
Funds from Operations growth <sup>1</sup>	25%	3.0% to 5.5%	8.1%	25%
Average Return on Equity <sup>2</sup>	25%	9.0% to 11.0%	13.2%	25%
Relative Total Security holder Return <sup>3</sup>	25%	Median to 75 <sup>th</sup> percentile	2 <sup>nd</sup> out of 6	25%
Relative Return on Equity <sup>4</sup>	25%	Median to 75 <sup>th</sup> percentile	2 <sup>nd</sup> out of 7	25%
<b>Overall Result</b>				<b>100%</b>

#### Results of each performance condition for the first tranche of the 2014 LTI Plan:

Performance condition	Weighting	Hurdle range	Group result	Vesting outcome
Funds from Operations growth <sup>5</sup>	25%	4.0% to 6.0%	6.8%	25%
Average Return on Equity <sup>6</sup>	25%	9.0% to 10.0%	15.3%	25%
Relative Total Security holder Return <sup>7</sup>	25%	Median to 75 <sup>th</sup> percentile	2 <sup>nd</sup> out of 17	25%
Relative Return on Equity <sup>8</sup>	25%	Median to 75 <sup>th</sup> percentile	2 <sup>nd</sup> out of 14	25%
<b>Overall Result</b>				<b>100%</b>

1. Funds from Operations (FFO) growth hurdle was measured on a linear scale for testing, with a 3.0% Compound Annual Growth Rate (CAGR) set as the Target (where 50% would vest) and 5.5% set as the Outperformance hurdle (where 100% would vest). Dexs's FFO growth result over the four-year performance period was 8.1% resulting in full vesting from this performance condition.
2. Average Return on Equity (ROE) hurdle was measured on a linear scale for testing, with a 9.0% simple ROE average set as the target (where 50% would vest) and 11.0% set as the Outperformance hurdle (where 100% would vest). Dexs's average ROE result was 13.2% over the four-year performance period, resulting in full vesting from this performance condition.
3. Relative Total Security Holder Return (TSR) was measured with reference to the TSR percentile rank of DXS against a comparator group of listed A-REIT peers Investa Office Fund, SCA Property Group, The GPT Group, Vicinity Centres and Cromwell Property Group. A median rank was set as the Target (where 50% would vest) and a 75th percentile or better rank was set as the Outperformance hurdle (where 100% would vest). Dexs's relative TSR rank of 2nd out of 6 listed A-REIT peers over the four-year performance period, resulted in full vesting from this performance condition.
4. Relative ROE was measured with reference to the average ROE result achieved by DXS against a comparator group of unlisted property funds GPT Wholesale Office Fund, ISPT Core Fund, Australian Prime Property Commercial Fund, AMP Capital Wholesale Office Fund, QIC Property Fund and Australian Prime Property Retail Fund. A median rank was set as the Target (where 50% would vest) and a 75th percentile or better rank was set as the Outperformance hurdle (where 100% would vest). Dexs's relative ROE rank of 2nd out of 7 unlisted property peers over the four-year performance period, resulted in full vesting from this performance condition.
5. FFO growth hurdle was measured on a linear scale for testing, with a 4.0% CAGR set as the Target (where 50% would vest) and 6.0% set as the Outperformance hurdle (where 100% would vest). Dexs's FFO growth result over the three-year performance period was 6.8% resulting in full vesting from this performance condition.
6. Average ROE hurdle was measured on a linear scale for testing, with a 9.0% simple ROE average set as the Target (where 50% would vest) and 10.0% set as the Outperformance hurdle (where 100% would vest). Dexs's average ROE result was 15.3% over the three-year performance period, resulting in full vesting from this performance condition.
7. Relative TSR was measured with reference to the TSR percentile rank of DXS against a comparator group comprising members of the S&P/ASX 200's A-REIT Index. A median rank was set as the target (where 50% would vest) and a 75th percentile or better rank was set as the Outperformance hurdle (where 100% would vest). Dexs's relative TSR rank of 2nd out of 17 listed A-REIT peers over the three-year performance period, resulted in full vesting from this performance condition.
8. Relative ROE was measured with reference to the average ROE result achieved by DXS against a comparator group comprising the members of the Mercer IPD Core Wholesale Property Fund Index. A median rank was set as the Target (where 50% would vest) and a 75th percentile or better rank was set as the Outperformance hurdle (where 100% would vest), Dexs's relative ROE rank of 2nd out of 14 unlisted property peers over the three-year performance period, resulted in full vesting from this performance condition.

## 6.4 Actual FY18 remuneration awarded

The actual remuneration awarded during the year comprises the following elements:

- Cash salary including any salary sacrifice arrangements
- Superannuation benefits
- Other short-term benefits comprised of the wellbeing allowance and insurance arrangements provided to all employees
- STI cash payment to be made in August 2018 in recognition of performance during FY18 (noting that 25% of the award is deferred and will be reported in future years)
- Deferred STI vested: the value of the deferred STI from prior years that vested on 1 July 2018 (being the number of rights that vested multiplied by the VWAP for the five days prior to the vesting date)
- LTI: the value of performance rights that vested on 1 July 2018 (being the number of performance rights that vested multiplied by the VWAP for the five days prior to the vesting date)

These values differ from the executive statutory remuneration table which has been prepared in accordance with statutory requirements and accounting standards.

Executive	Cash salary (\$)	Super-annuation benefits (\$)	Other short term benefits (\$)	STI cash payment (\$)	Deferred STI – vested (\$)	LTI – vested (\$)	Total (\$)
Darren J Steinberg	1,579,951	20,049	4,689	1,380,000	441,852	1,960,596	5,387,137
Ross G Du Vernet	679,951	20,049	2,042	577,500	176,411	354,862	1,810,815
Kevin L George	679,951	20,049	4,054	551,250	177,007	427,768	1,860,080
Alison C Harrop	654,951	20,049	5,340	531,563	142,789	109,838	1,464,530
Deborah C Coakley	554,951	20,049	2,236	452,813	137,648	177,323	1,345,019

## 6.5 Executive statutory remuneration

The total remuneration paid to Executive KMP for FY18 and FY17 is calculated in accordance with the AASB 124 Related Party Disclosures. Amounts shown under Long-term benefits reflect the accounting expense recorded during the year with respect to prior year deferred remuneration and awards that have or are yet to vest.

Executive KMP	Year	Short-term benefits			Long-term benefits			Security-based benefits			Total (\$)
		Cash salary (\$)	STI cash award (\$)	Annual Leave movement <sup>1</sup>	Other short-term benefits (\$)	Super benefits (\$)	Term-ination benefits (\$)	Long Service Leave movement <sup>1</sup>	Deferred STI plan accrual (\$)	LTI plan accrual (\$)	
Darren J Steinberg	<b>FY18</b>	1,579,951	1,380,000	(32,569)	4,689	20,049	–	31,995	428,351	1,502,853	4,915,319
	FY17	1,580,384	1,320,000	–	–	19,616	–	–	385,964	1,305,851	4,611,815
Craig D Mitchell <sup>2</sup>	<b>FY18</b>	–	–	–	–	–	–	–	–	–	–
	FY17	37,679	–	–	–	1,608	477,301	–	–	–	516,588
Ross G Du Vernet	<b>FY18</b>	679,951	577,500	(4,275)	2,042	20,049	–	13,771	176,723	316,129	1,781,890
	FY17	680,384	551,250	–	–	19,616	–	–	151,423	259,260	1,661,934
Kevin L George	<b>FY18</b>	679,951	551,250	(19,949)	4,054	20,049	–	34,318	173,247	333,083	1,776,004
	FY17	675,584	551,250	–	–	24,416	–	–	154,968	291,071	1,697,289
Alison C Harrop	<b>FY18</b>	654,951	531,563	(21,661)	5,340	20,049	–	–	155,775	260,401	1,606,445
	FY17	600,728	492,188	–	–	19,616	–	–	106,065	131,401	1,349,997
Deborah C Coakley	<b>FY18</b>	554,951	452,813	–	2,236	20,049	–	25,702	138,291	240,356	1,434,420
	FY17	545,900	431,250	–	–	29,100	–	–	101,912	123,019	1,231,181
<b>Total</b>	<b>FY18</b>	<b>4,149,755</b>	<b>3,493,125</b>	<b>(78,454)</b>	<b>18,362</b>	<b>100,244</b>	<b>–</b>	<b>105,786</b>	<b>1,072,387</b>	<b>2,652,823</b>	<b>11,514,207</b>
	FY17	4,120,659	3,345,938	–	–	113,971	477,301	–	900,333	2,110,602	11,068,804

1. Leave movements have been included for the first time in FY18 to improve disclosures. The accounting value of these may be negative, for example, where an Executive's annual leave balance decreases as a result of taking more than the 20 days' annual leave they accrue during the current year. Long service leave accrues from 5 years service and the movement may be high in the first year of accrual.

2. Craig Mitchell ceased employment on 15 July 2016, with final payments made in early FY17.

## 7. Terms of KMP service agreements

KMP service agreements detail the individual terms and conditions of employment applying to Executive KMP. The quantum and structure of remuneration arrangements are detailed elsewhere in this report, with the termination scenarios and other key employment terms detailed below:

	CEO	Other Executive KMP
<b>Employment agreement</b>	An ongoing Executive Service Agreement or individual contract.	
<b>Termination by the Executive</b>	<p>Termination by Mr Steinberg requires a 6 month notice period. The group may choose to place Mr Steinberg on 'leave' or make a payment in lieu of notice at the Board's discretion.</p> <p>All unvested STI and LTI awards are forfeited in this circumstance.</p>	<p>Termination by other Executive KMP requires a 3 month notice period. The group may choose to place the Executive on 'leave' or make a payment in lieu of notice at the Board's discretion.</p> <p>All unvested STI and LTI awards are forfeited in this circumstance.</p>
<b>Termination by the group without cause</b>	<p>If the group terminates the Executive without cause, the Executive is entitled to a combined maximum notice and severance payment of 12 months fixed remuneration. The Board may (in its absolute discretion) also approve a pro-rata STI payment.</p> <p>Depending on the circumstances, the Board has the ability to treat the Executive as a 'good leaver', which may result in the Executive retaining some or all of the unvested Deferred STI or LTI.</p>	
<b>Termination by the group with cause</b>	No notice or severance is payable.	
<b>Other contractual provisions and restrictions</b>	All KMP service agreements include standard clauses covering intellectual property, confidentiality, moral rights and disclosure obligations.	

## 8. Non-Executive Directors' remuneration

### 8.1 Changes for FY19

There are no changes proposed to Non-Executive Directors' remuneration in FY19.

### 8.2 Non-Executive Directors' remuneration

Non-Executive Directors' fees are reviewed annually by the Committee using information from a variety of sources, including:

- Publicly available remuneration data from ASX listed companies with similar market capitalisation and complexity
- Publicly available remuneration data from A-REITs
- Information supplied by external remuneration advisors, including EY

Other than the Chair who receives a single base fee, Non-Executive Directors receive a base fee plus additional fees for membership of Board Committees. Non-Executive Directors do not participate in incentive plans or receive any retirement benefits other than statutory superannuation contributions.

The Board fee structure (inclusive of statutory superannuation contributions) for FY17 and FY18 is provided below.

Committee	Year	Chair (\$)	Member (\$)
Director's Base Fee (DXFM)	<b>FY18</b>	400,000 <sup>1</sup>	170,000
	FY17	400,000 <sup>1</sup>	170,000
Board Risk Committee	<b>FY18</b>	30,000	15,000
	FY17	30,000	15,000
Board Audit Committee	<b>FY18</b>	30,000	15,000
	FY17	30,000	15,000
Board Nomination Committee	<b>FY18</b>	15,000	7,500
	FY17	15,000	7,500
Board People & Remuneration Committee	<b>FY18</b>	30,000	15,000
	FY17	30,000	15,000
DWPL Board	<b>FY18</b>	n/a <sup>2</sup>	30,000
	FY17	55,000	22,500

1. The Board Chair receives a single fee for service, including service on Board Committees.

2. In 2018 the DWPF Chair was transitioned to a third party Non-Executive Director role. Effective 1 April 2018, the member fees for the DWPF Board were increased from \$22,500 to \$30,000.

Total fees paid to Non-Executive Directors for the year ended 30 June 2018 remained within the aggregate fee pool of \$2,500,000 per annum which was approved by security holders at the AGM in October 2017.

### 8.3 Non-Executive Directors' security holding requirement

Non-Executive Directors are expected to hold a minimum of 16,500 DXS securities. Newly appointed Directors are expected to acquire the minimum security holding within three years of their appointment.

Securities held by Non-Executive Directors are subject to the group's security and insider trading policies. No additional remuneration is provided to Directors to purchase these securities.

As at 30 June 2018, all Directors met the minimum security holding requirement, except for Mr Ford who has until 2020 and Ms Roxon who has until 2021 to satisfy this requirement. The relevant interests of each Non-Executive Director in DXS securities are shown in section 8.5.

## 8.4 Non-Executive Directors' remuneration table

This summary of the actual cash and benefits received by each Non-Executive Director for the year ended 30 June 2018 is prepared in accordance with AASB 124 Related Party Disclosures.

Non-Executive Director	Year	Short-term benefits <sup>1</sup> (\$)	Post employment benefits (superannuation) (\$)	Other long-term benefits (\$)	Total (\$)
W Richard Sheppard	<b>FY18</b>	379,951	20,049	–	400,000
	FY17	380,384	19,616	–	400,000
Elizabeth A Alexander AM	<b>FY18</b>	173,516	16,484	–	190,000
	FY17	210,384	21,206	–	231,591
Penny Bingham-Hall	<b>FY18</b>	198,396	18,653	–	217,049
	FY17	189,008	17,956	–	206,964
John C Conde AO	<b>FY18</b>	194,635	18,490	–	213,125
	FY17	189,498	18,002	–	207,500
Tonianne Dwyer	<b>FY18</b>	221,097	20,227	–	241,324
	FY17	217,884	19,616	–	237,500
Mark H Ford	<b>FY18</b>	184,610	17,352	–	201,962
	FY17	117,199	11,134	–	128,333
Nicola Roxon	<b>FY18</b>	143,706	13,592	–	157,298
	FY17	–	–	–	–
Peter B St George	<b>FY18</b>	196,347	18,653	–	215,000
	FY17	196,347	18,653	–	215,000
<b>Total</b>	<b>FY18</b>	<b>1,692,258</b>	<b>143,500</b>	<b>–</b>	<b>1,835,758</b>
	FY17	1,500,706	126,183	–	1,626,888

1. Includes Director fees and insurance contributions.

## 8.5 Security movements

Non-Executive Director	Number of securities held at 1 July 2017	Movement	Number of securities held at 30 June 2018	Minimum number of securities <sup>1</sup>
W Richard Sheppard	70,090	nil	70,090	16,500
Elizabeth A Alexander AM	16,667	nil	16,667	16,500
Penny Bingham-Hall	16,534	nil	16,534	16,500
John C Conde AO	16,667	nil	16,667	16,500
Tonianne Dwyer	16,667	nil	16,667	16,500
Mark H Ford <sup>2</sup>	1,667	nil	1,667	16,500
Nicola Roxon <sup>3</sup>	–	nil	–	16,500
Peter B St George	17,333	nil	17,333	16,500

1. Directors are required to attain the minimum number of securities within three years of appointment.

2. Mark H Ford was recently appointed to the Board and has until 2020 to attain the minimum number of securities.

3. Nicola Roxon was recently appointed to the Board and has until 2021 to attain the minimum number of securities.



## 9. Additional disclosures

### 9.1 Performance of LTI awards vesting in FY19

On 1 July 2018, the second tranche of the 2014 LTI plan and the first tranche in the 2015 LTI plan vested for participating Executive KMP. The vesting outcome was determined by the Board, referencing the previously approved performance hurdles set and communicated to participants upon the original Grant Dates of 1 July 2014 and 1 July 2015 respectively.

#### Results of each performance condition within tranche 2 of the 2014 LTI plan:

Performance condition	Weighting	Hurdle range	Group result	Vesting outcome
Funds from Operations growth	25%	4.0% to 6.0%	5.7%	93.1%
Average Return on Equity	25%	9.0% to 10.0%	19.9%	100%
Relative Total Security Holder Return	25%	Median to 75th percentile	6th of 17	87.5%
Relative Return on Equity	25%	Median to 75th percentile	2nd of 16	100%
			<b>Overall Result</b>	<b>95.15%</b>

#### Results of each performance condition within tranche 1 of the 2015 LTI plan:

Performance condition	Weighting	Hurdle range	Group result	Vesting outcome
Adjusted Funds from Operations growth	25%	3.0% to 5.0%	5.8%	100%
Average Return on Equity	25%	9.0% to 10.0%	19.1%	100%
Relative Total Security Holder Return	25%	Median to 75th percentile	5th of 17	100%
Relative Return on Equity	25%	Median to 75th percentile	2nd of 16	100%
			<b>Overall Result</b>	<b>100%</b>

Further details and quantification in dollars of these vesting tranches will be provided in the FY19 Remuneration Report.

### 9.2 Deferred STI and LTI awards which vested during FY18

The summary below outlines the number of Rights which vested under the Deferred STI and LTI plans during FY18. The vesting date for all Rights was 1 July 2017. No rights lapsed during FY18.

Executive KMP	Plan name	Grant date	Tranche	Number of Rights which vested	Market value at vesting <sup>1</sup> (\$)
Darren J Steinberg	Deferred STI	1/07/2015	2	26,200	258,616
		1/07/2016	1	20,333	200,703
	LTI	1/07/2013	2	94,015	928,013
		1/07/2014	1	102,971	1,016,416
Ross G Du Vernet	Deferred STI	1/07/2015	2	9,193	90,742
		1/07/2016	1	7,705	76,056
	LTI	1/07/2013	2	19,751	194,960
		1/07/2014	1	18,388	181,506
Kevin L George	Deferred STI	1/07/2015	2	10,572	104,354
		1/07/2016	1	7,762	76,691
	LTI	1/07/2013	2	27,177	268,261
		1/07/2014	1	22,985	226,883
Alison C Harrop <sup>2</sup>	Deferred STI	1/07/2015	2	2,206	21,778
		1/07/2016	1	5,451	53,803
Deborah C Coakley	Deferred STI	1/07/2015	2	5,516	54,445
		1/07/2016	1	5,993	59,155
	LTI	1/07/2013	2	9,480	93,576
		1/07/2014	1	8,826	87,121

1. Market value at vesting is the VWAP of DXS securities for the five day period before the vesting date.

2. Alison Harrop was not employed at the time of the 2013 or 2014 LTI grant.

### 9.3 KMP invested security rights outstanding

The table below shows the number of invested Rights held by Executive KMP as at 30 June 2018 under the Deferred STI and LTI plans. The STI and LTI awards in respect of which the elements below are deferred elements were disclosed in prior year remuneration reports.

Executive KMP	Plan type	Grant date	Vesting date	Tranche	Number of Rights
Darren J Steinberg	Deferred STI	1/07/2016	1/07/2018	2	19,488
		1/07/2017	1/07/2018	1	22,556
		1/07/2017	1/07/2019	2	22,556
		1/07/2014	1/07/2018	2	102,971
		1/07/2015	1/07/2018	1	101,689
	LTI	1/07/2015	1/07/2019	2	101,689
		1/07/2016	1/07/2019	1	98,466
		1/07/2016	1/07/2020	2	98,466
		1/07/2017	1/07/2020	1	98,426
		1/07/2017	1/07/2021	2	98,426
Ross G Du Vernet	Deferred STI	1/07/2016	1/07/2018	2	7,385
		1/07/2017	1/07/2018	1	9,420
		1/07/2017	1/07/2019	2	9,420
		1/07/2014	1/07/2018	2	18,388
		1/07/2015	1/07/2018	1	18,643
	LTI	1/07/2015	1/07/2019	2	18,643
		1/07/2016	1/07/2019	1	19,693
		1/07/2016	1/07/2020	2	19,693
		1/07/2017	1/07/2020	1	21,531
		1/07/2017	1/07/2021	2	21,531
Kevin L George	Deferred STI	1/07/2016	1/07/2018	2	7,440
		1/07/2017	1/07/2018	1	9,420
		1/07/2017	1/07/2019	2	9,420
		1/07/2014	1/07/2018	2	22,985
		1/07/2015	1/07/2018	1	21,694
	LTI	1/07/2015	1/07/2019	2	21,694
		1/07/2016	1/07/2019	1	21,006
		1/07/2016	1/07/2020	2	21,006
		1/07/2017	1/07/2020	1	21,531
		1/07/2017	1/07/2021	2	21,531
Alison C Harrop	Deferred STI	1/07/2016	1/07/2018	2	5,224
		1/07/2017	1/07/2018	1	8,410
		1/07/2017	1/07/2019	2	8,410
		1/07/2015	1/07/2018	1	11,186
	LTI	1/07/2015	1/07/2019	2	11,186
		1/07/2016	1/07/2019	1	18,052
		1/07/2016	1/07/2020	2	18,052
		1/07/2017	1/07/2020	1	19,224
1/07/2017	1/07/2021	2	19,224		

### 9.3 KMP unvested security rights outstanding continued

Executive KMP	Plan type	Grant date	Vesting date	Tranche	Number of Rights
Deborah C Coakley	Deferred STI	1/07/2016	1/07/2018	2	5,744
		1/07/2017	1/07/2018	1	7,369
		1/07/2017	1/07/2019	2	7,369
		1/07/2014	1/07/2018	2	8,826
	LTI	1/07/2015	1/07/2018	1	9,660
		1/07/2015	1/07/2019	2	9,660
		1/07/2016	1/07/2019	1	17,232
		1/07/2016	1/07/2020	2	17,232
		1/07/2017	1/07/2020	1	17,686
		1/07/2017	1/07/2021	2	17,686

### 9.4 Equity Investments

Held at 1 July 2017			Net Change			Held as at 30 June 2018			Market value as at 30 June 2018 \$ <sup>2</sup>	Minimum security holding guideline \$ <sup>3</sup>
Securities	Deferred STI	Total Balance <sup>1</sup>	Securities	Deferred STI	Total Balance <sup>1</sup>	Securities	Deferred STI	Total Balance <sup>1</sup>		
Darren J Steinberg										
211,317	63,127	274,444	243,519	1,473	244,992	454,836	64,600	519,436	5,100,530	2,400,000
Ross G Du Vernet										
77,228	23,244	100,472	24,038	2,980	27,018	101,266	26,224	127,490	1,251,874	562,500
Kevin L George										
63,113	24,625	87,738	–	1,654	1,654	63,113	26,279	89,392	877,772	562,500
Alison C Harrop										
–	12,482	12,482	–	9,563	9,563	–	22,045	22,045	216,468	543,750
Deborah C Coakley										
–	16,572	16,572	–	3,910	3,910	–	20,482	20,482	201,122	450,000

1. The following securities are included in the balance for the purpose of the guideline (1) Any DXS securities that the Executive or their related person or entity hold (e.g. Family Trust), (2) Securities that the Executive acquires on vesting of awards granted under Dexus's equity incentive plans; and (3) Unvested equity granted that the Executive holds under Dexus's equity incentive plans which are not subject to performance hurdles (e.g. deferred short-term incentives).

2. Market value as at 30 June 2018 is the VWAP of DXS securities for the five-day period up to and including 30 June 2018 (\$9.81936).

3. A minimum security holding guideline was introduced on 1 July 2018, with all Executive KMP targeting to attain the minimum security holding by 1 July 2023. The value is calculated by reference to the 12-month average fixed remuneration for the relevant financial year. For existing Executive KMP as at 1 July 2018, the guide is based on fixed remuneration as at 1 July 2018.

### 9.5 Other Transactions

There were no transactions involving an equity instrument (other than share based payment compensation) to KMP or related parties.

### 9.6 Loans

No loans were provided to KMP or related parties.